

Scope of work - Towards a “Governance MRV Framework”

UN-REDD PROGRAMME

DRAFT 1 June 2009



Background

At a broad level, the UNFCCC negotiations are, in part, about a deal with developing countries to assist them to shift to low-carbon development pathways. In order to “seal the deal”, both climate change and sustainable development elements need to be addressed. Governance is already recognised as central to sustainable development and the delivery of the MDGs under a “development-as-usual” scenario¹. It will be absolutely essential to the task of shifting to low-carbon development pathways.

In many developing countries, especially in Africa, the majority of current greenhouse gas emissions come from land-based sources, particularly forested lands². As such, payments for these emission mitigation measures will offer the first opportunity to launch countries onto low-carbon development pathways. The potential long-term, sustainable revenues provided by REDD+ mechanisms can translate into incentives for changes in land use and better stewardship of forest resources. This, however, can only be achieved if the socio-economic drivers of deforestation and forest degradation at the local level are understood, accounted for, and addressed through alternative activities that provide benefits sufficient to encourage a lasting shift.

Current emission-intensive uses of forest resources are often an important source of foreign exchange, energy, food security, new settlements or employment. Simply compensating through REDD mechanisms for the specific ‘opportunity costs’ given up by communities and countries from deforestation and forest degradation activities will not be sufficient for sustained emission reductions and impact. Payments and investments will need to actually advance low-carbon alternatives. Shifting to less emission-intensive uses of forest resources will necessitate careful consideration of how alternatives can meet national objectives. Many of the discussions on REDD have so far focused on readiness activities and the technical issues surrounding the measurement of actual and lasting emissions reductions. There has also been some attention paid to the structure of the financial mechanisms required at the international level to transfer payments from developed countries to developing countries for emission reductions. However, the delivery of emission reductions will take place at the local level and issues of governance and livelihoods are key if REDD is to be the impetus for shifts to low-carbon development pathways.

¹ Governance provides the ‘enabling environment’ for the realization of the MDGs and, in particular, the elimination of poverty. Gender, governance and basic services are inextricably interlinked. At the Millennium Summit of 2000 a consensus was reached which recognized that improving the quality of democratic institutions and processes, and managing the changing roles of the state and civil society in an increasingly globalised world must underpin national efforts to reduce poverty, sustain the environment, and promote human development.

² Mitigation is not just about reducing emissions. New sequestration is very important and an essential element. The IPCC estimates that in Africa, of all land-based cost-effective mitigation potential, reducing forest emissions represent one-third, new forest sequestration one-third, and better agricultural practices one-third.

In this context, good and efficient governance of forest resources will be central to the success of REDD policies and measures. Good governance will enable an environment conducive to the predictable and lasting delivery of emission reductions, ensure that REDD policies provide sufficient incentives and minimize negative social impacts, and promote structures of service delivery and payments geared towards sustainable development and poverty reduction outcomes. Governance challenges are many: unenforced land tenure systems, elite capture, marginalization of stakeholders, uncoordinated mechanisms or corruption are often recognized, and can be met with coordinated, cross-sectoral development strategies.

Underpinning and reinforcing good governance is secure tenure and enforcement. Governance will need to be grounded on clear and enforceable tenure systems for land and carbon and well-defined rights to resources; it will emphasize multi-stakeholder mechanisms and local empowerment; and it will be based on principles of transparency, inclusiveness, accountability, coordination and capacity and enforcement.

Scope of Work

The importance of governance in reducing the uncertainty surrounding emission reductions from forested lands and increased sequestration in all lands is increasingly being recognised. While the practicalities of adequately monitoring emission reductions have been the initial focus of “measurable, reportable and verifiable” (MRV) parameters, governance, livelihood and ecosystem service issues are now emerging as requisite elements of MRV systems. REDD governance outcomes will have to be measured against a set of indicators and reported and verified through transparent processes, effectively resulting in building a “Governance MRV Framework”.

For example, the draft American Clean Energy and Security Act that recently passed the United States House Committee on Energy and Commerce (text box below) proposes a number of parameters that would have to be met in order for REDD countries to participate under the Act.



Excerpts from the Draft American Clean Energy and Security Act (ACES) of 2009:

Paragraph 743.e.2 (Offsets from Deforestation/Eligible countries):

[...] developing countries that have the capacity to participate in international deforestation reduction activities at a national level, including [...]:

(B) the institutional capacity to reduce emissions from deforestation, including strong forest governance and mechanisms to equitably distribute deforestation resources for local actions

Paragraph 743.e.3 (Offsets from Deforestation/Protection of Interests)

[...] ensure the establishment and enforcement by such country of legal regimes, standards and safeguards that:

(A) give due regard to the rights and interests of forest-dependent communities, indigenous peoples, and vulnerable social groups;

(B) promote consultations with, and full participation of, forest-dependent communities and indigenous peoples in affected areas, as partners and primary stakeholders, prior to and during the design, planning, implementation, and monitoring and evaluation of activities; and

(C) facilitate sharing of profits and benefits derived from international offset credits with forest-dependent communities and indigenous peoples.

In addition to strengthening governance structures in order to make their own development shifts, REDD countries may also need to establish governance indicators in accordance with MRV principles established by countries that allow REDD credits into their carbon markets (or other domestic response to climate change) in order to participate in REDD mechanisms.

Against this background, the UN-REDD Programme is well positioned to provide catalytic contributions on:

- REDD entry points and driving role in low carbon, locally-driven development paths, and how these align or transform existing national development strategies.
- Governance of forests and land tenure – undertaking studies of national legislative frameworks for REDD, and in particular systems of forest governance, land tenure and carbon rights. Emphasis will be placed on
 - establishing linkages to pro-poor, gender sensitive outcomes
 - enabling the delivery of clear, enforceable and fair rights
 - linking secure tenure with the principle of free prior and informed consent.

- Governance of REDD payments – assessing REDD service delivery and benefit-sharing options, including the appropriate modalities, partnerships, channels and oversight, within a framework of rights to resources.
- Socio-economic impact of the policies and measures options seeking to discourage deforestation and forest degradation on local forest-dependent and rural communities. Examples will include, inter alia, the effect on food security, employment, and outmigration.
- Governance indicators for MRV frameworks
- Overall land-use optimization and planning in light of climate change mitigation opportunities and climate change adaptation needs

The outputs of this work will be 1) a series of working papers that will provide detailed analyses and practical guidance 2) capacity building workshops and trainings. A focus on contributing to the development of a Governance MRV Framework and indicators to assess REDD interventions, as well as best practices on reporting and verification for these indicators, will be the common thread through the series.

To achieve these objectives, the UN-REDD Programme will build on its presence and programmes in the nine pilot countries as well as other selected REDD countries to provide case studies. It will use its convening power and existing programmatic engagement with stakeholders to organize various consultations with Indigenous peoples, forest-dependent community representatives, rural populations, governments, extractive industries as well as the donor community.

The UN-REDD Programme will also build on the UNDP's Oslo Governance Centre's generic framework on building democratic governance indicators that are gender sensitive and pro-poor. More generally, the activities will rely on the UN agencies expertise and body of work on gender, poverty reduction, capacity building, green investment drivers, agriculture and food security. The UN-REDD Programme will seek to engage with relevant institutions and organizations in developing countries, and build on their experiences and ongoing efforts on governance of forestry, agriculture and natural resources. This scope of work will also rely on partnership with sector experts such as the Danish-supported work by IUCN on pro-poor REDD policies, as well as its work in the *Poverty Environment Partnership*, the World's Resource Institute *Governance of Forests Initiative's* and *Draft Indicator Framework*, IIED's *Forest Governance Learning Group*, the Overseas Development Institute (ODI) work on REDD and pro-poor outcomes, and the Extractive Industries Transparency Initiative. The European Union's *Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement* and Yale University's *Forest Dialogue* will also be relevant. In addition, the UN-REDD Programme expects this work to link closely to several Norway-supported initiatives related to governance.

To initiate this work, the UN-REDD Programme has funded a report, just released, commissioned by the Terrestrial Carbon Group titled "Background Analysis of REDD Regulatory Frameworks". This report outlines the elements of a legal framework for REDD, and analyzes the activities that a selection of developed and developing countries – including those where the UN-REDD Programme is active - are taking to develop policy and legislative frameworks to enable REDD activities to take place. The report highlights the importance of governance issues and will be used as a starting point for the work of the UN-REDD Programme in this area.



Deliverables and Timeline

June - September 2009: Mapping exercises; identification of internal and external partners; constituency building

September – December 2009: Consultations and reviews. Agreement on detailed deliverables, preparation of TORs and completion of procurement arrangements.

2010: Quarterly Working Papers series and training of national counterparts on measurements, reporting and verification of governance and social indicators.



Indicative Bibliography

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